GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services- Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada - Departmental Proceedings under Rule 20 of A.P.Civil Services (Classification, Control & Appeal) Rules 1991- Articles of Charge - Issued

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GENERAL ADMINISTRATION(SC.D) DEPARTMENT

G.O.Rt.No.2135 **Dated:27.09.2019**

G.O.Ms.No.122, GA (SC.D) Department, dated:27.09.2019

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O R D E R:-

It is proposed to hold an enquiry against Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada in accordance with the procedure laid down in Rule 20 of A.P.Civil Services (Classification, Control & Appeal) Rules 1991.

2. The substance of the imputations of misconduct or misbehaviour in respect of which the enquiry is proposed to be held is set out in the enclosed statement of articles of charge (Annexure-I&II). A list of documents by which and a list of witnesses by whom, the articles of charge are proposed to be sustained and list of records/documents are also enclosed. (Annexure -III &IV).

3. Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada is directed to submit within 15 days of the receipt of this order, a written statement of his defence.

4. Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada is informed that an enquiry will be held only in respect of those articles of charge as are not admitted. He should, therefore, specifically admit or deny each article of charge.

5. Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada is further informed that if he does not submit his written statement of defence on or before the date specified in para-3 above further action will be processed based on the material available by construing that he has no explanation to offer on his defence.

6. Attention of Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada invited to Rule-24 of the A.P.Civil Services (Conduct) Rules 1964 under which no Government servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interest in respect of matter pertaining to his service under the Government. If any, representation is received on his behalf from another person in respect of any matter is dealt with in these proceedings. It will be presumed that, Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule-24 of the A.P.Civil Services (Conduct) Rule 1964.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

L.V.SUBRAHMANYAM
CHIEF SECRETARY TO GOVERNMENT

To
Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada (through the HM&FW Department)

[PTO]

The HM&FW Department

Copy to;

The Director General, General Administration(Vigilance & Enforcement) Department, AP, Vijayawada

Sf/Sc.

//FORWARDED :: BY ORDER//

SECTION OFFICER(SC)

ANNEXURE –I

ARTICLES OF CHARGE FRAMED AGAINST Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada.

Article of Charge :

That Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada not followed the instructions governing the purchase of stores as per Article 125 of A.P. Financial Code & G.O.Ms.No.489, Finance (TFR.I) Department, Dated;08-12-2008 while calling quotations and placed repeated indents to fake firm M/s. Harshita Printers for the years 2010-11 to 2012-13 and caused loss to Govt. Exchequer.

Thus, Sri Umar Bin Saleh, by his above mentioned acts has exhibited lack of supervision, lack of integrity, lack of devotion to duty, conduct unbecoming of a Government servant and thereby contravened Rule 3(1) & (2) of AP Civil Services (Conduct) Rules, 1964.

L.V.SUBRAHMANYAM
CHIEF SECRETARY TO GOVERNMENT

//FORWARDED :: BY ORDER//

SECTION OFFICER(SC)

ANNEXURE –II

STATEMENT OF IMPUTATIONS OF MISCONDUCT AND MISBEHAVIOUR IN SUPPORT OF THE ARTICLES OF CHARGE FRAMED AGAINST Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada.

Charge :

That Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada not followed the instructions governing the purchase of stores as per Article 125 of A.P. Financial Code & G.O.Ms.No.489, Finance (TFR.I) Department, Dated;08-12-2008 while calling quotations and placed repeated indents to fake firm M/s Harshita Printers for the years 2010-11 to 2012-13 and caused loss to Govt. Exchequer.

FACTS AND EVIDENCE:

The Vigilance and Enforcement Department has informed that an amount of Rs.6.14 Crores had misappropriated by Dr.S.Aruna Kumari, Director of Public Health & Family Welfare, AP, Vijayawada and other staff under drugs and medicines, surgical and publicity funds under various schemes i.e., the Vital statistics, the National Malaria Eradication Programme and the Epidemic Control Programme during the financial years 2010-11 to 2012-13 by placing orders with private agencies (which are not empanelled with I&PR) on quotation basis without any administrative orders from the Government & caused loss to the Govt. Exchequer.

The schemes relating to Epidemics, Malaria & Filaria, Vital Statistics etc., are being implemented by the Director of Public Health & Family Welfare. Government scrutinizes the proposals submitted by the Department and issues Budget Release Orders with administrative sanction to the Director of Public Health for utilization of budget for the intended schemes duly following the Treasury and the Financial Codes. The budget releases towards procurement of medicines, material supplies, advertisement & publicity shall be utilised by the Epidemics, Malaria & Filaria sections. But the Vital Statistics section utilises budget from the provision of advertisement & publicity only.

During the course of enquiry, the officials of V&E Department obtained information from the Director of Public Health and Family Welfare, A.P., about the budget allocation and expenditure particulars for the Epidemic Control Programme, the Vital Statistics and the National Malaria Eradication Programme for the financial years 2010-11 to 2012-13.

On verification of records, it is noticed that the Director of PH&FW obtained Administrative orders from Finance (EXP.M&H.II) Dept to Health Medical & Family Welfare (G2) Department from time to time. On verification of Note Files, it is noticed that the staff and officials of O/o DPH&FW addressed a letter to the selective firms from the empanelled list for the quotations, without going for paper advertisement. As per the provisions under Article 125 of A.P. Financial Code, it is mandatory to call for tenders through 'Public Advertisement' whenever the value of contract exceeds Rs 5.00 lakhs.

After receipt of quotations from the Firms /Agencies, comparative statements were prepared and work orders were given to lowest quoted firms. In this process, while finalizing the quotations, the staff and officials of O/o DPH&FW have not tried to cross check the prevailing market rates of the material to be procured with the rates quoted by the suppliers, at any point of time. After receipt of the material, the officials and staff of the DPH&FW distributed the same to the DM&HOs in the State duly entering the stock registers, mainly through SRMT transporter and transport charges were paid to them and found no deviations. The V&E officials verified the stock register entries of the stores of the Director, Public Health and Family Welfare with that of the material said to be purchased by spending the amount of budget and found no incriminating deviations. The V&E officials verified the correctness of distribution with the stores registers of DM&HO, Guntur and round there is no difference.

Further, on verification of quotations, letters and indents placed by the O/o DPH&FW, it is noticed that no quantity was mentioned against each item in some of the quotation letters and some of the quotation letters were also not dispatched. On verification of the quotations and comparative statements, it is noticed that when the same rate was quoted for one item by two firms, no bargaining negotiations were made by the department.

The purchases made by the three sections i.e., Epidemic, Vital Statistics and Malaria & Filaria sections are functioning under single umbrella of O/o DPH headed by the Director. On verification of indents placed for supply of material to the firms by the DPH&FW at random, it is noticed that more number of indents were placed to the same firm independently by each section though they are working under the single umbrella by splitting indents up to Rs 5.00 lakhs each within a span of 3 to 4 days by violating the guidelines issued in G.O.Ms.No.489, Finance (TFR.I) Department, Dated;08-12-2008 that "any splitting of work to remain within the limits will be viewed seriously and action taken".

The V&E officials examined certain firms which have participated in the quotations invited by the Director of Public Health and Family Welfare and recorded their statements about the supply of printing materials, drugs and medicines etc.,. Out of them, the firms (1) Sri S. Adinarayana, the Marketing Manager, Colour Graphics, Station Road, Opp: Bank of India, Kachiguda, Hyderabad and (2) Sri S. Balaji Venkateshwarlu, Director, M/s. Ortin Laboratories and Sri Sai Krishna Marketing Associates, Chikkadapally, Hyderabad supported the Director of Public Health and Family Welfare in supplying the materials, drugs etc.

The Proprietors of M/s. Harshita Printers and M/s. Venu Graphics stated about many irregularities committed in the purchases made by the Director of Public Health and Family Welfare, Andhra Pradesh as discussed hereunder.

1. Statement of Sri.V.Nagaraj, Proprietor, M/s Harshita Printers, Khairatabad, Hyderabad:

He stated that he was running a printing press in the name of Harshita Printers bearing TIN:28100208935, H.No. 6-2-985, Yousuf Building, Beside Railway Gate, Khairatabad, Hyderabad. He further stated that he never supplied any printing material to the Director of Public Health and Family Welfare, Koti, Hyderabad or taken up their works so far. He had not issued any invoice or advanced stamped receipts to the Director of Public Health and Family Welfare, A.P., Hyderabad so far. Regarding issue of invoices and advanced stamp receipts of Harshita Printers, H.No.6-2-985, Yousuf Building, Beside Railway Gate, Khairatabad, Hyderabad, he stated that those were not of his firm and the signatures on them were not of him or his partners or any staff of his firm. He never received any amounts from the Director of Public Health and Family Welfare, A.P., Hyderabad on the name of supply of printing materials etc.

2. Statement of Sri P. Venugopal Reddy, Proprietor, M/s Venu Graphics and M/s Harshita Printers (Newly Coined), Nallakunta, Hyderabad:

He stated that he was running printing press on the name of Venu Graphics for the last 15 years in Nallakunta. In the year 2010 one person by name Sri Jayanth who is working in the store, the Vital Statistics Section of Director of Public Health and Family Welfare, A.P., Hyderabad visited his printing press and offered print work belonging to his department. When he asked whether his printing press was in A-class list or not, he informed that it was not in the list. On his directions he opened bank account on the name of Harshita printers, H.No. 2-1-392/1/6, Nallakunta, Hyderabad. After few days he offered printing work and when he executed the printing work, Sri Jayanth had taken the printing material after obtaining his signatures on delivery challan. He also stated that he was never given departmental work order on his own firm's name even though he requested. Sri Jayanth used to bring cheques issued by his department and deposit them in his bank account and further he deducted amount which was bargained with him. He also stated that he did not remember the details of amounts given to Sri Jayanth. But, he stated that he used to pay the amount approximately in the range of Rs 1,00,000 to 1,50,000/- in every deal. He did not know the details of his disbursements to his officers. He also stated that the invoices 009/Dt.8-7-2010,

006/Dt. 8.7.2010, 052/Dt. 15.11.2010, 053, 063/24.02.2011, 058/Dt. 7.1.2011, 061/Dt. 14.7.2011, 054/Dt.2.2.2011, 057/Dt. 9.12.2010 were not of his press and they were submitted by Sri Jayanth to claim bill amounts from the Director of Public Health and Family Welfare, A.P., Hyderabad. He further, stated that lie could not furnish the details of material supplied to Sri Jayanth, since he did not maintain any record. But, by perusing his bank account statement opened on the name of Harshita printers, Nallakunta he stated that about Rs 58,25,350/- worth works were executed by him to the Director of Public Health and Family Welfare, A.P., Hyderabad, out of which approximately Rs 23,00,000/- had been given to Sri Jayanth. He furnished a copy of his bank account statement of M/s. Harshita Printers, H. No. 2-1-392/1/6, Nallakunta, Hyderabad.

The V&E officials has stated that as seen from the placing of supply orders, it is clearly evident that supply orders were given individual item-wise and budget head-wise and every order is below Rs.5,00,000/-. Giving different work orders item-wise to the same firm finalised as L1 bidder in the same quotation is an effort to keep the total amount of work order within the limit of Rs 5,00,000/-. To elucidate the fact, copies of 4 work orders given to M/s Srinivasa Art Printers and M/s Harshita Printers with same date finalised in the VS Section through one call of limited tender for Rs 20,00,000/-. It is also noticed that all 3 Sections (i.e., the Epidemic Control, the Vital Statistics and Malaria & Filaria) issued work orders to keep each work order within the limit Rs 5,00,000/- on the pretext of single purchase item or budget component head. This deviates the very idea and spirit behind Instruction No.8 under Rule III of Article 125 and the G.O.Ms.No.489, Finance (TFR.I) Department, Dated;08-12-2008.

The verification of note files and placing of work orders reveals that all quotations were called for the whole annual budget amount or for half yearly budget amount in anticipation. It vindicates that the amount intended for calling for quotations was more than Rs 5,00,000/- which ordinarily stipulates open tender system. According to Instruction No.13 under Rule III of Article 125, APFC, a small advertisement can go in the newspaper and further details can be part of website whose address can be mentioned in the newspaper. Proper publicity in the website and notice boards should be done to get a competitive price. Action contrary to this is nothing but violation of APFC and G.O.Ms.No.489, Finance (TFR.I) Department, Dated;08-12-2008.

It is a general practice for all the departments to call quotations for any IEC and advertisement material from the approved list of Private Printers under Class-A list and Web Categories communicated by the Commissioner, Printing, Stationery & Stores Purchase. But the O/o DPH called quotations and made purchases from the agencies Navjyothi Printers, Kolan Publication, Colour Graphics etc.,. which were not empanelled in Class-A list. During the enquiry, it is observed in all 3 Sections that printing and supply orders for purchases were awarded to certain firms repeatedly in the years 2010-11 to 2012-13 like Ortin Labs, Sri Krishna Marketing Associates, Srinivasa Art Printers, Harshita Printers, etc.,. Many a times, the higher authorities through note file indicated the particular firms for inviting tenders. As seen from the note files, it is observed that repeatedly 8 limited firms were being invited for quotations instead of changing the firms though many firms are in the empanelled list. Subordinate Officers also admitted in their versions that the authorities had instructed from which firms they should call quotations.

It is found that the letters calling for quotations were not dispatched in the Vital Statistics Section and required quantities of items to be purchased were not mentioned in the letters calling for quotations. Any supplier only after knowing the size/ bulk of the quantity of item to be supplied, can quote/offer a cheaper rate in the quotation. While preparing the comparative statement, the prevailing market price was not taken into consideration in all the sections. The L1 price should invariably be less than the market rate. It is prudent for an officer to be in touch with the market price of article or item intended to be procured.

<u>Enquiry regarding M/s. Harshita Printers</u>:

M/s. Harshita Printers, Multi Colour Offset Printers located at D.No.6-2-985, Yousuf Building, Beside Railway Gate, Khairathabad, Hyderabad is listed in the empanel list of Class-A at S.No.24 and is run by Sri V. Nagaraju, S/o Radha Krishna

Rao and he used to supply printing material to various organizations with TIN:28100208935.

Sri P.Venugopal Reddy, S/o P. Seshi Reddy, D.No.2-1-396/1/6/1, Nallakunta, Hyderabad is the owner of the printing press with name Venu Graphics Printing Press bearing TIN:28524269244 listed in the empanel list Class-B at S.No.4. He opened another firm on the name of Harshita Printers with TOT Registration No.GRN/SEC/09/0/1664 with same address of Venu Graphics i.e., D.No.2-1-396/ 1/6/ 1, Nallakunta, Hyderabad and opened Bank Account with Indian Bank, Barkatpura Branch, 3-4-854, Barkatpura, Hyderabad in favour of new firm i.e M/s Harshita Printers. Opening of new firm was done at the instigation of Sri D. Jayanth, Assistant Statistical Officer, Store In-charge, Vital Statistics Section, O/o Director of Public Health and Family Welfare, A.P. Hyderabad. Accordingly P. Venugopal Reddy got work orders frequently from the year 2010-11 from the DPH&FW on the name of M/s Harshita Printers, Khairathabad but not on the name of M/s Harshita Printers, Nallakunta. He printed and supplied the required materials to the DPH&FW and claimed bills by producing invoices, advance receipts etc., without TIN number on the name of Harshita Printers, Khairathabad and claimed bill amounts of Rs.58,25,350/-. According to the statement of P. Venugopal Reddy, he supplied indented material costing Rs.35,00,000/- only and he had given about Rs.23,00,000/- to Sri D. Jayanth as gratification.

It is true that Sri D. Jayanth was not connected directly to the files that are processed by other officers. But the fact is that Sri P. Venugopal Reddy, the owner of newly coined firm i.e., M/s Harshita Printers, Nallakunta, Hyderabad had claimed Rs.58,25,350/- from Govt., exchequer by supplying material on the fake bills purportedly belonging to M/s Harshitha Printers, Khairathabad, Hyderabad which was in the empanel list Class-A at S.No.24. Sri P. Venugopal Reddy stated about the instigation of D. Jayanth right from the opening of A/c in favour of new firm to giving cheques and taking gratification. This mediation was made easy by the flouting of the procedures for tenders/quotations by the other officers concerned right from not dispatching the letter calling for tenders though addressed to M/s Harshitha Printers, Khairathabad, Hyderabad.

Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada is responsible for not being transparent in calling tenders/quotations in general and for awarding work orders repeatedly to Harshita Printers in particular. They called for quotations from 8 to 10 firms though a large empanelled list existed. They violated tender/quotation procedures not dispatching the letters calling for quotations, not mentioning the required quantity in tenders, not giving proper advertisement and publicity even when quotation value was above Rs 5,00,000/-, failing to ascertain market value before finalizing L1, failing to conduct negotiations with L1 bidders, proper verification of TIN numbers on the bills etc., and thus paved way for leakages and gratification.

Hence, the allegation that, not followed the instructions governing the purchase of stores as per Article 125 of A.P. Financial Code & G.O.Ms.No.489, Finance (TFR.I) Department, Dated;08-12-2008 while calling quotations and placed repeated indents to fake firm M/s Harshita Printers for the years 2010-11 to 2012-13 and caused loss to Govt. Exchequer stands Substantiated.

Thus, the Government Servant Sri Umar Bin Saleh, formerly Statistical Officer, O/o Director of Public Health & Family Welfare, AP, Vijayawada by his above mentioned act has exhibited lack of supervision, lack of integrity, lack of devotion to duty and conduct, unbecoming of Government Servant and thereby violated Rule 3(1) & (2) of AP Civil Services (Conduct) Rules, 1964.

The Government Servant has therefore rendered himself liable for regular Departmental Action, for Major penalty.

L.V.SUBRAHMANYAM
CHIEF SECRETARY TO GOVERNMENT

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ANNEXURE –III

LIST OF WITNESSES

-NIL-

L.V.SUBRAHMANYAM
CHIEF SECRETARY TO GOVERNMENT

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ANNEXURE –IV

LIST OF RECORDS/DOCUMENTS

1. Vigilance Report No.99,(C.No.4018/ V&E/D2/ 2013) Dated;29-10-2015 of the Director General of V&E, Govt. of Telangana

2.Vigilance Report No.115 (C.No.120/V&E/D2/2016) Dated:08-12-2017 of Director General, (Vigilance and Enforcement) , AP.

L.V.SUBRAHMANYAM
CHIEF SECRETARY TO GOVERNMENT

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